

MR. DEPUTY SPEAKER : Now, we will start the Question Hour.

ORAL ANSWERS TO QUESTIONS

[Translation]

Gradation of Coal

*401. PROF. PREM SINGH CHANDUMAJRA :
DR. MAHADEEPAK SINGH SHAKYA :

Will the Minister of COAL be pleased to state:

(a) whether coal produced in India has been graded on the basis of their quality;

(b) if so, the details thereof alongwith the percentage of ash in each of these grades;

(c) the quality of coal required by steel, cement and power industries alongwith the percentage of ash therein;

(d) Whether the quality of coal required for power, steel and cement sector are produced in less quantity; and

(e) If so, the annual average production thereof and the steps taken to increase its production?

THE MINISTER OF STATE OF THE MINISTRY OF COAL (SHRIMATI KANTI SINGH) : (a) to (e) A statement is laid on the Table of the House.

STATEMENT

(a) and (b) The details of the grades of coal produced in India as notified on the basis of their quality are given below :

S. No.	Class	Grade	Grade Specification
1	2	3	4
1.	Non-coking		(Range of UHV (Useful Heat Value) in Kcal/ Kg.) (Kilo Calories per Kg.)
		A	Over 6200
		B	5600-6200
		C	4940-5600
		D	4200-4940
		E	3380-4200
		F	2400-3360
		G	1300-2400
2.	Coking Coals		(Range of Ash in percentage)

1	2	3	4
		Steel Gr. I	Below 15
		Steel Gr. II	15-18
		Washery Gr. I	16-21
		Washery Gr. II	21-24
		Washery Gr. III	24-28
		Washery Gr. IV	28-35

3. Semi-Coking & Weakly coking Coals (Range of Ash + Moisture percentage)

Semi-coking Gr. I	Below 19
Semi-coking Gr. II	19-24

4. Coal produced in the States of Assam, Arunachal, Meghalaya and Nagaland.

Ungraded (Ash content not exceeding 25%)

(c) The quality of coal required by Steel Cement and Power industries is as follows :

Industries	Type of Coal	Quality Parameters
1. Steel		
a) Integrated Steel plants	Coking Coal	Ash (%) 16.5% - 17.5%
		Useful Heat Value in Kcal/Kg.
b) Sponge Iron	Non-coking	4940-5600 C grade.
2. Cement	Non-coking C/D grade	4200-5600
3. Power	Non-coking mainly E/F grade	2400-4200

(d) The domestic production of coking coal of the quality required for metallurgical use is not adequate to meet the domestic demand. Some import of superior grade of coking coal is also necessary mainly by the steel plants for blending purposes on quality considerations. Domestic production of non-coking coal of the quality required for cement and power is adequate. However, some mismatch between the demand and supply occurs as a result of transport bottlenecks and due to unanticipated increase in demand.

(e) The production figures of various grades of coal used in steel, cement and power industries for the year 1995-96 are given below :

Coal India Limited and Singareni Collieries
Company Limited

Grade	Production (Million tonnes)
Coking coal	34.63
C	53.65
D	37.10
E	39.37
F	74.31

Steps are underway to augment indigenous production of coking coal as well as non-coking coals to the extent practicable. These include the following

- (i) Opening up of new mines and increasing efficiency and productivity in existing mines by modernisation, application of new technologies and ensuring timely availability of inputs and infrastructural facilities.
- (ii) The capital base of Coal India Limited has been restructured to enable it to raise from the capital market additional financial resources which are required to add to new coal production capacity.
- (iii) Coordination on continuous basis with the Railways is maintained to remove transportation bottlenecks in such coalfields areas which have potential for enhanced production.
- (iv) Private sector companies engaged in production of iron and steel, cement and generation of power have been permitted to take up coal mining for their own use. This is expected to increase domestic coal production.
- (v) Modification of existing washeries as well as construction of new washeries are being taken up to increase the availability of washed coking coal.

PROF. PREM SINGH CHANDUMAJRA : The reply given by the hon. Minister is not detailed reply. The imported coal is costlier. India coal costs Rs. 1200-1400 per tonnes whereas imported coal costs Rs. 2800-2900 per tonnes. It causes loss of foreign exchange. Moreover, though imported coal contains less Ash content but it has environment problems. Chemical impurities contained herein, such as sulphur, chlorine Gas, etc. are affecting environment here. May I know from the hon. minister whether Government are making any efforts to improve the quality of Indian coal or not?

Secondly, washing quality of Indian coal is 66 per cent. If this washery quality is increased we may not require to import coal and India economy would benefit.

Whether the Government is prepared to improve coal washery? It is most distressing that output of the mines for the last 2 decades has been .55 tonnes per man. Whether Government propose to take steps to improve this?

SHRIMATI KANTI SINGH : So far as Hon. Member query about increasing the production of coal is concerned 454 projects worth more than 2 crores have been approved since Nationalisation then till now to enhance the production of coal. An amount Rs. 20000 Crores was proposed to be spent on these projects and these projects were to produce 340 m. tonnes. So far these projects are producing 220 m. tonnes of coal. 283 projects have been completed and by the end of Ninth Five Year Plan 120 m. tonnes additional coal is likely to be produced therefrom at an estimated investment of Rs. 10000 Crores. Presently 68 projects coarting Rs. 20 Crores and more are being implemented. 18.4 m. tonnes additional production is likely to become available by the year 2001 to 2002 from the new projects presently under approval. A provision of Rs. 1240 crores has been made for new projects and expansion of present projects out of which an amount of Rs. 947.95 Crores is for C.I.L. and Rs. 290.52 for S.C.C.L. So far as increase in the production of coal is concerned mechanisation of open cast mines is likely to yield additional production of about 60 m. tonnes during the next 5 years. Long wall technology and other technologies would yield about 20 m. tonnes of additional coal from under ground mines during the next five years ... (Interruptions). He wants to know steps being taken to enhance production of coal ... (Interruption).

MR. DEPUTY-SPEAKER : He also wants to know about quality as well!

SHRIMATI KANTI SINGH : I will come to the point by and by ... (Interruptions). Ash content is very high but sulphur content is low. It has therefore become difficult to remove this from the coal as is the case with coal from Europe and other countries. 14 percent non-coking coal reserves contain coal with Ash content 24 percent and less and rest of the reserves contain coal with ash content ranging from 24 per cent to 45 per cent. According to an amendment notified on 9.6.93 in Coal Mines Act 1973 about Captive Mines it has been decided to allow private sector to participate in coal mining for certain specific purposes. Coal India Ltd. has offered 47 Mining Blocks per Captive Mining ... (Interruptions)

PROF. PREM SINGH CHANDUMAJRA : I wanted to know about steps to improve quality but the hon. Minister has narrated history since 1947. ... (Interruptions)

MR. DEPUTY SPEAKER : She is giving to reply

... (Interruptions)

SHRIMATI KANTI SINGH : It is proposed to improve productivity in order to increase production. Labour productivity has been stagnating at 0.55 tonnes per Man-shift in underground mines for the last 10 years, but... *(Interruptions)* I am coming to that this is about quality. ... *(Interruptions)*

MR. DEPUTY SPEAKER : You may ask another supplementary.

PROF. PREM SINGH CHANDUMAJRA : Yes, I will leave this and ask another supplementary.

... *(Interruptions)*

SHRIMATI KANTI SINGH : Why to leave it?

... *(Interruptions)*

PROF. PREM SINGH CHANDUMAJRA : Mr. Deputy Speaker Sir, Indian coal contains more Ash content, hence its transportation costs more. We have thermal Plants in Punjab and Haryana and transportation to those plants includes transportation of Ash alongwith coal and freight is charged on that also. Transportation arrangements of Railways are not adequate enough. Punjab, Haryana and Rajasthan had to face power Crisis last year. The thermal plants in these states were on the verge of closure due to non-availability of coal. May I know from the Hon. Minister whether the Govt. is prepared to make such arrangements so that such a situation does not arise again? Moreover 30 m. tonnes coal is lying undelivered. Huge dumps of coal are lying at coal mines pit heads. Whether the Govt. is prepared to make arrangement so that much coal can be used in Power Plants, Cement Plants and other Plants.

MR. DEPUTY SPEAKER : You want to know about transportation of coal. If it is to be transported through railways they are not concerned with that?

PROF. PREM SINGH CHANDUMAJRA : Proper arrangements ought to be made. Proper arrangements for the supply of coal does not exist. I have read in Newspapers that more than 200 mines in India under coal washeries are lying abandoned and the state government wants to take over those mines. The government of Bihar wants to take over there. Whether the Central Govt. is prepared for that? If more mines are opened the demand of coal from the public would be fulfilled. What arrangements have been made with regard to transportation.

SHRIMATI KANTI SINGH : So far as transportation is concerned my Ministry has no role to play because we only sell coal. You may opt. for transportation through railways or through Road. It is upto you.

So far as coal mines are concerned we have certain policy and principles with regard to abandoned coal mines, which state Govt. is prepared to take over. Whichever state Govt. intend taking those mines may apply to the Central Govt. on those grounds. In that case we may transfer those mines.

MR. DEPUTY SPEAKER : Smt. Rita Verma.

DR. MAHADEEPAK SINGH SHAKYA : You have struck my number.

Sir, the question asked by my friend with regard to coal is very important. The question related to quality of the coal and he wanted to know how many types of coal are there and you have informed that it has four types and Ash content is 16,19 and 25 percent. You have admitted this ...*(Interruptions)*

SHRIMATI KANTI SINGH : 25 to 45 per cent.

DR. MAHADEEPAK SINGH SHAKYA : You have mentioned in your reply. Rest it is 25 per cent.

Importance of coal is linked to all the aspects of life and it is based on quality. Be it steel or Railways, Cement or Power or any other Trade or Industry it can not run without coal. Our life is handicapped if quality of the coal is hampered. May I know what steps have been taken for its Purification? So far as improving the quality is concerned you have stated that coal would be imported from abroad if need be? You are interested in Imports and I believe you have not made any efforts to improve the quality. Had you been concerned about this aspect then perhaps the question about quality would not have arisen, because we have so much of coal in our country that if proper arrangements are made to improve the quality our requirements would be met. ... *(Interruptions)*

[English]

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM) : Sir, what is his question? *(Interruptions)*

[Translation]

MR. DEPUTY-SPEAKER : You may ask question?

DR. MAHADEEPAK SINGH SHAKYA : I am coming to that. You have talked of 3-4 things about improvement in the quality. If I will take all those the matter may become very lengthy. You have mentioned washeries with regard to quality and explained the process of washing. You have also mentioned about setting up of technical and other Machines, Purification of Mines and many other things have also been mentioned. Your present washeries are not working properly. The machines installed therein are broken-down, you have not attempted modernisation

therein. May I know whether you have conducted any survey in the country to find out how many washeries are needed in the country in order to improve the quality of coal and how much time you may require for that?

MR. DEPUTY SPEAKER : Before the hon. Minister replies I want to point out that much lengthy questions are asked that it becomes impossible to cover more than 3-4 questions. You ask your supplementary directly. Others may also get a chance this way and questions may be covered. Now you may reply.

SHRIMATI KANTI SINGH : Sir, He wanted to know about modernisation of coal mines and increase in the production of coal. We are attempting modernisation of coal mines through mechanisation. We are putting long wall technology to use in underground mines and other techniques are also being put to use.

DR. MAHADEEPAK SINGH SHAKYA : I had not asked about productivity. I had asked about quality and machinery. ... (Interruptions)

MR. DEPUTY-SPEAKER : Keep silence. First listen to him.

SHRIMATI KANTI SINGH : The question about productivity was also raised. There are 20 coal washeries in the country for coking coal out of which 15 are under Coal India, 2 under Steel Authority of India and three under TISCO. Their total capacity is 32.16 m. tonns per year. Presently two coking coal washeries are under construction at Madhuband and Kedla. Their capacity is 5.1 m. tonnes. They are projected to be commissioned during January 1997 and October 1996 respectively. Coal India Ltd. are planning to set up more coal washeries. These are likely to be set up at Tekok in Assam and Parej and Ghosi in Bihar.

[English]

SHRI BASUDEO ACHARIA : There is a gap of Seven million tonnes of washed coking coal. Our demand is about 19 m. tonnes but our total capacity is 11 to 12 m. tonnes.

[Translation]

A committee set up under the chairmanship of Altakar out modernisation and modification of washeries and quality of coal and production of coal had recommended that the washeries which were earlier with Steel Authority of India and later linked to Bharat Coking Coke should once again be merged with SAIL. So that these washeries could produce quality coal and coal with low Ash content could also be produced therein. Whether the government would implement the recommendation of the Altekarak Committee to transfer these three washeries from B.C.C.L. to SAIL once again?

SHRIMATI KANTI SINGH : We would consider the suggestion made by the hon. Member.

PROF. RITA VERMA : Information has been provided about gradation. Whether they know that when the coal companies are given power to do on the spot gradation this arrangement encourages corruption? Whether the hon. Minister has gone through report by R. N. Mishra Committee in which it has stated that coking grade coal in Block 2 of B. C. C. L. was sold as non-coking coal because of corruption. How much loss the country has to face due to this? Whether the hon. Minister is aware that coal from washery 2 is shown as coal from washery 4 by labelling the same as non-coking instead of coking coal and sold at a premium of Rs. 50000 per tonnes? When the government informs that the quality of the coal is inferior and quality coal has to be imported, this statement is incorrect because unless corruption is checked coking coal would remain in short supply. What steps are being taken in this regard?

SHRIMATI KANTI SINGH : She has changed.

PROF. RITA VERMA : I have not changed. It is said in the R. N. Misra Committee Report. She should go through the same.

SHRIMATI KANTI SINGH : I have gone through the same. We are trying to furnish all those persons who are indulging in such act as mentioned in the Report.

PROF. RITA VERMA : Whether you have thought of awarding punishment to those who earlier committed such act?

SHRIMATI KANTI SINGH : They would also be punished.

SHRI DATTA MEGHE : Whatever has been stated about gradation is correct. There are a number of mines in my area as well. They contain quality coal. It was stated that work in these mines would be started in 2-3 years but it has not so far been done. Wherever quality coal is available it should be exploited. Apart from this mines with less Ash content why coal from there mines is not? It is a fact that where ash content in coal is not much it is not revealed. So far as Report of the Committee is concerned the number of officers against whom you have taken action? May I point out that grade 1 coal is sold as grade 4. This is being openly done. It is stated in the Report of the Committee. You were supposed to go to Nagpur to observe the situation but you have not gone and it is continuing there. There are a number of coal mines in my area. May I know from the hon. Minister what steps are being taken to check irregularities being committed regarding gradation of coal? What steps are being taken to check scrapping of the coal.

SHRIMATI KANTI SINGH : Mr. Deputy-Speaker, Sir, the hon. Minister is talking of W. C. L. Hon. Purohit had also raised this point.

DEPUTY-SPEAKER : He still wants to ask something.

SHRI DATTA MEGHE : Shri Purohit is also talking about corruption. Many other are also speaking. No enquiries are conducted there. ... (*Interruption*)

SHRIMATI KANTI SINGH : I have given directions to the Ministry to send some officers there to look into this matter.

SHRI DATTA MEGHE : You yourself should go.

SHRIMATI KANTI SINGH : I will also go. It is not that I will not be going. ... (*Interruptions*). But I have directed my Minister to investigate in this regard and submit a report and whosoever is found guilty I will punish him.

SHRI DATTA MEGHE : What about new mines?

SHRIMATI KANTI SINGH : So far as new mines are concerned these are taken as early as possible.

SHRI BANWARI LAL PUROHIT : Eight sub-sidiaries are working in coal mines. It appears that it is white elephant where officers only do merry making. W. C. L., C. C. L. are earning profits worth thousands of crores of rupees. Suppose six companies earn profits and two companies work on losses the whole profit is absorbed by the losses in two companies. Where profit is earned there also no efforts are made for the welfare of workers and people of the area. I request that all the companies should be converted into independent companies. Because these have become dens of corruption. May I know from the hon. Minister whether proposal to scrap Coal India and give autonomy to all the subsidiaries is under consideration. Because it is in the interests of the Nation?

SHRIMATI KANTI SINGH : This is a policy matter enquiry would be conducted and whatever is possible would be done. ... (*Interruptions*)

PROF. AJIT KUMAR MEHTA : Sir, the hon. Minister has stated that the proposals received from the State Government for opening closed mines would be considered and if it is found possible such mines would be transferred to the concerned State Govts. for exploiting coal. May I know the number of such closed mines in Bihar and the number of mines about which the Govt. of Bihar has sought transfer in order to start mining work and provide employment to the people of the area and resume supply of coal. By what time it would be done?

SHRIMATI KANTI SINGH : Sir, demand for transfer of 14 mines has been received from the Minister of Mines, Govt. of Bihar. A Joint Committee consisting of the officers of the Central as well as State Government had been set up. It has examined the matter. Out of these mines 7 mines are being handed over to the Govt. of Bihar as these were found conforming to our policies and criterion.

PROF. RITA VERMA : Sir, the hon. Minister is not aware of the fact that the standing committee in the last report had suggested contrary to this. There should be no private mining.

SHRIMATI KANTI SINGH : Private mining is not going to be permitted. ... (*Interruptions*)

PROF. RITA VERMA : This was stated in the Report. The report has been laid on the table. It was against such step. Corruption. ... (*Interruptions*)

They are trying to conceal pilfered coal. ... (*Interruptions*)

[*English*]

World Bank Loan for Rural Water Supply

*402 : DR. MURLI MANOHAR JOSHI Will the Minister of FINANCE be pleased to refer to the reply given to unstarred question No. 1112 on July 19, 1996 and state :

(a) the terms and conditions of loans for rural water supply and environmental sanitation project in U. P. being given by the World Bank and who is the recipient authority of the loan :

(b) the broad features of the memorandum of Association of Project Monitoring Unit set up in U. P. and

(c) the constitution and names of office-bearers, together with status, appointed so far?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM) : (a) to (c) A statement is laid on the Table of the House.

STATEMENT

(a) International Bank for Reconstruction and Development (IBRD) is the normal lending arm of the World Bank. The terms and conditions of IBRD Loan which apply to this project also are as under :

- (i) Repayment to commence from March 1, 2002 and to close on September 1, 2016.
- (ii) The interest rate is variable and at present it